

AS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 96-245-C - ORDER NO. 97-53  
JANUARY 17, 1997

IN RE: Application of Ameritel Pay Phones,        ) ORDER  
      Inc. for a Certificate of Public            ) APPROVING  
      Convenience and Necessity to Provide       ) CERTIFICATE  
      Operator and Inmate Telecommunica-        )  
      tions Services within the State of         )  
      South Carolina.                            )

This matter comes before the Public Service Commission of South Carolina (the "Commission") on the Application of Ameritel Pay Phones, Inc. ("APP" or the "Company") for a Certificate of Public Convenience and Necessity. The Applicant proposes to provide Collect Call Services, using store and forward technology, to inmates in institutional facilities, such as jails, prisons, correctional facilities, and penal facilities, as well as a variety of operator services to the portion of the public that uses a Company payphone in the public lobbies at such institutional facilities. APP does not seek authority to provide other telecommunications services in South Carolina. APP's Application was filed pursuant to S. C. Code Ann. Section 58-9-280, and the Regulations of the Commission.

The Commission's Executive Director instructed APP to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of APP's

Application and of the manner and time in which to file the appropriate pleadings for participation in these proceedings. APP complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were received.

John R. Summers, Senior Vice President of APP, submitted prefiled testimony on behalf of APP. Mr. Summers stated that APP is interested in providing Inmate and Operator Services for confinement facilities in South Carolina. APP does not propose to provide residential or business services to the general public of South Carolina. Mr. Summers explained that an affirmative, positive response from the called party must be received by the Company before the calls are connected. According to Mr. Summers, APP has extensive technical and managerial experience with which to provide the services described in its Application. Mr. Summers additionally stated that APP is well qualified financially to provide its proposed services, and that the proposed services are in the public interest.

After full consideration of the applicable law, the Application, and the testimony submitted by APP, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. APP is incorporated under the laws of the state of Missouri and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. APP operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina by

providing collect-only call capability for inmate and operator services for confinement facilities located in South Carolina, using automated Company-owned telephones.

3. APP has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to APP to provide collect-only call capability for inmate and operator services to confinement facilities in South Carolina, using automated Company owned telephones.

2. The Commission adopts a rate design for APP for its operator services which includes only maximum rate levels for each tariff charge. For intrastate interLATA ("0+") collect calls, APP may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications of the Southern States, Inc. ("AT&T"), and, for the usage portion of the call, APP may not charge more than the intrastate rates charged by AT&T at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. APP shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. APP shall file its proposed rate changes, publish its notice of

such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1996).

4. APP shall file its revised tariff and an accompanying price list within thirty (30) days of the date of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. APP is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's operator services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. APP shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No.

88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

8. APP shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If APP changes underlying carriers, it shall notify the Commission in writing.

9. With regard to the provision of inmate calling services for local and intraLATA calling, APP shall not charge rates any greater than the rates charged by the local exchange company at the time a call is placed. For interLATA calling, APP shall charge rates not greater than AT&T's charges and operator station usage rates at the time the call is placed. Additionally, automated collect calls shall only be completed with the affirmative acceptance by the called party. The Company shall not impose any property imposed fee on calls originating from inmate facilities.


10. For inmate calling service, call detailed information submitted to the local exchange company for billing purposes must include the COCOT access line and telephone number as assigned to the line by the local exchange company. Further, should APP provide the payphone equipment in confinement facilities, the Company shall obtain certifications to provide private payphone services and should request waiver of specific guidelines as required for the provision of inmate calling services.

11. The Company shall, in compliance with Commission Regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level,

customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. APP shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 96-245-C - ORDER NO. 97-53  
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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
FEI NO.

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
CITY, STATE, ZIP CODE

\_\_\_\_\_  
PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME (PLEASE TYPE OF PRINT)

\_\_\_\_\_  
TITLE